Rural America
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This issue of *Rural America* covers a wide spectrum of topics. The recent power crisis in California has drawn attention to the electric utility industry and efforts over the past few years to deregulate it. Constance Newman's article examines the changing regulatory environment and its likely impact on rural America. Deregulation has brought consolidation among investor-owned utilities and instances where wholesale electricity prices have soared. Many rural counties—and 11 percent of the U.S. population—are served by rural electric cooperatives, which were created in the 1930s to provide power for the scattered population overlooked by investor-owned utilities. Deregulation has been slowest in States where cooperatives are most important. Cooperatives have higher costs and may be at a disadvantage unless steps are taken to ensure that electric markets remain open and nondiscriminatory.

China is a country undergoing a rural-to-urban transition not unlike the United States did during the 20th century, but on a much larger scale. Fred Gale and Hongguo Dai analyze China's rural development efforts and their potential effects on the United States. To raise rural incomes and productivity, China will need to find other work for some 200 million farm workers. The government has encouraged the formation of new towns in the countryside to avoid a massive urban influx, but it remains uncertain whether it will be able to create enough of the right kinds of jobs or whether it can afford the huge infrastructure investments required. Successful new industries in China might compete with rural American industries, but the new towns might also become customers for American products and services.

In recent years, foreign immigration to rural areas in the United States has revived. Whereas 19th-century immigration often brought large groups of European immigrants to new settlements where they could easily maintain their separate identities, the new wave of predominantly Hispanic immigration to long-settled towns is throwing together new and old residents of different ethnic backgrounds. Rochelle L. Dalla, Sheran Cramer, and Kaye Stanek study the effects of this immigration on three Nebraska meatpacking towns, surveying new and old residents. New immigrants experienced greater economic stress and poorer nutrition than long-term residents, but both groups shared perceptions that might unite them.

USDA annual estimates of the cost of rearing children are widely used in setting child support and foster care payments, in educational programs for prospective parents, and in certain court cases. Mark Lino provides estimates of both rural and urban expenses for 2000. Rural families typically spend several hundred dollars less each year per child. Urban families spend a relatively large portion on housing, while rural families devote a higher proportion to transportation. For rural families since 1960, housing, food, and clothing costs have accounted for a smaller proportion of total expenditures, while child care/education and health care have shown significant increases.

The economy's long expansion ended in 2001, although recovery began in the winter of 2002. David A. Torgerson and Karen S. Hamrick provide an update of recent economic developments and their implications for rural areas. The end of the technology boom, lower manufacturing activity, and the strong dollar triggered the start of recession, which was worsened by world events in the fall of 2001. Nonmetro areas were particularly affected by the manufacturing slowdown and the loss of exports. Regions such as the Southeast, Pacific Northwest, and North Atlantic have been especially hard hit by layoffs.

Reflecting the weaker economy, rural America ended its long period of growth in 2001 and unemployment began to rise. Lorin Kusmin reports that rural employment turned negative in the 2nd quarter of 2001 and unemployment has been rising since 2000. Metro trends have been similar, although in recent years metro employment growth has been faster and unemployment lower.

William Edmondson updates data relating to the food and fiber system and food and agricultural trade. The food and fiber system accounted for 17.1 percent of total employment and 12.8 percent of the GDP in 2000. Although these percentages have declined somewhat over the past decade, the food and fiber system added a record $1.3 trillion to the GDP in 2000. Economic activity generated by agricultural exports grew to $127.3 billion in 2000, aided by rising exports. New this year are estimates for food trade, which exclude nonfood agricultural exports such as cotton and tobacco but include fish products and distilled spirits, which are not counted as agricultural. Food exports generated $116 billion in economic activity in 2000. Each dollar of both agricultural and food exports resulted in additional economic activity of more than $1.45.

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